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Attorneys for Doris Kaelin
Trustee in Bankruptcy

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA – SAN JOSE DIVISION

IN RE JAGTAR SINGH OTAL AND
PARMJIT KAUR OTAL,

Debtors.

DORIS KAELIN, Trustee in Bankruptcy,

Plaintiff,

Vs.

GURU LODGING, LLC,

Defendant.

CASE NO. 17-51435 MEH
Chapter 7

Adversary Proceeding No. 18-05009 MEH

JOINT STATUS CONFERENCE
STATEMENT

Hrg.: April 30, 2018
Time: 10:00 a.m.
Judge: Hon. M. Elaine Hammond

Plaintiff Doris Kaelin, Chapter 7 Trustee of the estate of the above-named debtors (“Plaintiff” or “Trustee”) and Guru Lodging, LLC (“Defendant” or “Guru”) jointly file this status conference statement for the above referenced adversary proceeding.

1. Preconference Discussions: Counsel for Plaintiff and Defendant have discussed this matter on several occasions. On April 17, 2018, counsel held a discovery conference and plan to exchange initial disclosures on or before Tuesday, May 1, 2018.

2. Factual and Legal Theories: On March 14, 2007, Jagtar Otal and Parmjit Otal (together, “Debtors”) executed a Grant Deed transferring their interest in the real property located at 3036 Gaywood Court, San Jose, California 95148 (“Property”) to

1 “Jagtar S. Otal and Parmjit J. Otal, trustees of THE OTAL FAMILY TRUST DATED March 14,
2 2007” (“Otal Trust”). The Grant Deed was recorded with the Santa Clara County Recorder on
3 April 30, 2007. On April 8, 2015, “Jagtar Otal and Parmjit Otal” executed a Deed of Trust in
4 favor of Defendant as beneficiary in the Property for the amount of \$890,000 (“Transfer”). The
5 Transfer was recorded with the Santa Clara County Recorder on April 14, 2015. The Trustee
6 alleges that on the date of the Transfer the Otal Trust held title to the Property and therefore the
7 Deed of Trust is not valid since it was not executed by the Debtors as trustees of the Trust. The
8 Defendant disputes this allegation and asserts that since the Debtors were also the sole trustees of
9 their revocable family trust, execution of the Deed of Trust by the Debtors, even without
10 reference to their capacity as trustees of the Otal Trust, was sufficient for the Deed of Trust to be
11 valid.

12 The Trustee also alleges that the Deed of Trust provided to the Defendant, a company in
13 which the Debtor held a 15% interest, was a constructively fraudulent transfer, or in the
14 alternative, an actual fraudulent transfer. The Defendant disputes the fraudulent transfer claims
15 in their entirety and demands a jury trial on those issues.

16 **3. Bankruptcy Rules 70008 and 7012(b).** Plaintiff does consent, and Defendant
17 does not consent to entry of final orders by the Bankruptcy Court. Defendant is in the process of
18 assessing the propriety of a Motion for Withdrawal of Reference so the matter may be heard by a
19 jury in the U.S. District Court.

20 **4. Discovery Plan and Proposed Cut-Off Dates.** Plaintiff and Defendant have
21 agreed to a discovery cutoff of August 31, 2018.

22 **5. Estimated Time for Trial and Desired Trial Date.** Plaintiff and Defendant
23 request that the Court set the matter for a further status conference in early September 2018.

24 **6. ADRP.** Plaintiff and Defendant would be interested in mediation through BDRP
25 or with a bankruptcy judge, after exchanging additional documents and engaging in settlement
26 discussions.

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Dated: April 23, 2018

GORDON REES SCULLY MANSUKHANI LLP

By: /s/ Sandi Colabianchi
Sandi Colabianchi
Counsel for Doris Kaelin, Bankruptcy Trustee

Dated: April 23, 2018

GREENFIELD DRAA & HARRINGTON LLP

By: /s/ Justin Draa
Justin Draa
Counsel for Defendant Guru Lodging, LLC